GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2039
ANSWERED ON:03.08.2001
FDI IN INSURANCE SECROR
ANNA SAHEB M.K. PATIL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are considering to review the foreign direct investment restriction in insurance sector;

(b) if so, the details thereof; and

(c) the amount of foreign direct investment involved in this business?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (c) : At present foreign equity participation up to 26% is permitted in Insurance sector on the automatic route subject to necessary licence from the Insurance Regulatory & Development Authority. After opening up this sector to FDI in October, 2000, foreign direct investment amounting to Rs. 250 crore approximately has been received in this sector. There is no proposal under consideration for review of the present equity cap on foreign investment in insurance sector.